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William E. Rankins
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PO Box 1450
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Dear Mr. Rankins:

Re: Application 10/799,944, filed March 11, 2004.

I dispute the assertion in the recent Office Action Letter that "In this case the process as claimed can be practiced by hand." An important part of the invention is the recognition that time is critical and that instantaneous electronic communications are essential to minimizing the transaction costs to the buyer and seller of real estate. The process and apparatus are inseparable in order for this concept of an interactive, lender neutral financing to minimize the transaction costs to buyer and seller. Therefore, I maintain that it is one invention, not two distinct inventions, which is claimed in Application 10/799,944, filed March 11, 2004.

There is more than computation that is done by and at a "module". The modules have their own intelligence and are able to initiate action and respond to communications from other modules through a network (102). This intelligence sets them apart from a simple mimicking of computations done by hand. If you compare Claims 1, 11 and 25, you will see how they rely upon one another and reinforce the effectiveness of the unified invention.

The "modules" are designed, with intelligence, to make contact with other computers and/or other entities over a network (102, Paragraph 0031), to derive their cooperation and to negotiate acceptance of a "deal" that amounts to a contract. (Paragraph 0033) They are programmed to seek out optimum pricing for buyer and seller and are attuned to lender adjustments in cost of capital, interest rates, funding fees and the discount rate applied to the calculation of their cost of the financial instrument.

The financial instrument generator (120) module interactively (and instantaneously) creates a contract between the seller and a group of lenders (Paragraph 0032) who agree to offer certain terms in a financial instrument. That financial instrument is to be created

between buyer and seller and appended to their purchase and sale agreement. It is eventually to be "redeemed" by one of the participating lenders. (Paragraph 0033)

The buyer and seller usually enter into their contract with the help of a real estate agent who can guide them through the process online. (140, Paragraph 0035) The financial instrument that they instantaneously create is funded automatically at the closing of the sale of real estate to the buyer with funds allocated from proceeds to the seller through escrow (170, Paragraph 0036). At the close the buyer redeems the financial instrument with his choice of one of the group of lenders who indicated agreement, online, at the seller and financial instrument modules.

This system benefits the buyer and seller because it is a lender neutral process that pits lenders against one another in real time to lower the transaction costs to those individuals. The total transaction costs are lower because of lender competition. More importantly, the cost of this new financial instrument (a modified interest rate buy down) is also optimized by the totality of the invention.

Thank you for your consideration and assistance in this matter.

Very truly yours,

Gerald G. Lyman